



**CAPSTONE
ISG**

May 14, 2020

Joshua Fields
812 W Oklahoma
Ponca City, OK 74601

VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED

RE: Policy: BC003908
Claim Number: 123391
Insured: Joshua Fields
Loss Location: 410 W Cleveland Ave
Ponca City, OK 74601
Date of Loss: March 25, 2020
Our File Number: 2-17136

Dear Mr. Fields,

We are the local claims representative hired to assist your insurance carrier, Great Lakes Insurance SE, herein after referred to as "Great Lakes", to investigate property damages as referenced above.

Upon our inspection of April 1, 2020 certain evidence and information became known to us that our principals, Great Lakes, have requested that we advise you that the current information related to this claim indicates that there may be a question regarding coverage concerning some or all of the damages.

During our inspection of the property we did not find any fire extinguishers or smoke detectors present in the building. The property appeared as if it was vacant.

Please refer to the pertinent parts of Section E. Loss Conditions - Building and Personal Property Coverage Form (CP 00 10 10/12) outlined as follows:

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

...

3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

...

(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Page 2
May 14, 2020

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(7) Send us a signed, sworn proof of loss containing the information we Request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

...

6. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31 % of its total square footage is:

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

Page 3
May 14, 2020

- (2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

We also refer to the pertinent parts of Commercial Property Conditions (CP 00 90 07/88) outlined as follows:

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- 1. This Coverage Part;*
- 2. The Covered Property;*
- 3. Your interest in the Covered Property; or*
- 4. A claim under this Coverage Part.*

We further direct your attention to the Protective Safeguards Endorsement (CP 04 11 10 12) which states in part:

**PROTECTIVE SAFEGUARDS
SCHEDULE**

Prem. Number	Bldg. Number	Protective Safeguards Symbols
...		
All	All	P-9
...		

Describe any "P-9": Fully Functioning Smoke Detectors and Fire Extinguishers as required by local code

...

A. The following is added to the Commercial Property
Conditions:
Protective Safeguards

- a.** As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- b.** The protective safeguards to which this endorsement applies are identified by the following symbols:

...

"P-9", the protective system described in the Schedule.

B. The following is added to the **Exclusions** section of:
Causes Of Loss - Basic Form
Causes Of Loss - Broad Form
Causes Of Loss - Special Form
Mortgageholders Errors And Omissions Coverage Form

Page 4
May 14, 2020

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

- 1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or*
- 2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control in complete working order.*

As noted above, this policy requires you to maintain fully functioning smoke detectors and fire extinguishers as required by local code. We are currently in the process of verifying the conditions of this endorsement have been met.

Based upon the information and documentation provided to date, Great Lakes' listing of the foregoing bases for reserving its rights does not limit any additional grounds that Great Lakes may have for reserving its right to deny coverage as facts are developing. Great Lakes' reference to the foregoing terms, conditions, limits, exclusions and endorsements should not be interpreted as a waiver or an estoppel on its part to assert any and all terms, conditions, limits, exclusions, endorsements or policy defenses should additional facts, changing law, or amended claims come to Great Lakes attention. Further, Great Lakes requests the Insured continue to work with it and keep it fully informed of the status of this matter by timely forwarding any pertinent documents and information.

Great Lakes' reservation of rights contained herein is based entirely on the information that is known to Great Lakes at this time and is made without prejudice. Great Lakes will be happy to consider any additional information and documentation that you provide to us that may be relevant to the issue of coverage and damages incurred. Great Lakes requests that you immediately notify it if any additional facts come to light so that it may re-evaluate its position with respect to this matter. Should you have any questions about this matter, please contact me.

Please note that Great Lakes does not wish to seek to have you waive any rights which you, or others, making a claim under the policy may have. If you have any questions, please do not hesitate to contact us.

Sincerely,
CAPSTONE ISG

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Page 5
May 14, 2020

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